

April 16, 1987

LB 773  
LR 81

that is the cliff. Okay? But you will discover that that threshold...

SPEAKER BARRETT: Time has expired.

SENATOR V. JOHNSON: ...in every instance, when they come in, they come in at a lower dollar amount than they did in the previous year.

SPEAKER BARRETT: Thank you. While the Legislature is in session and capable of transacting business, I propose to sign and I do sign LR 81. Senator McFarland, please.

SENATOR McFARLAND: Thank you, Mr. Speaker. I can't help but respond to Senator Johnson and Senator Landis in their defense of the Switzer tax plan, as I call it, because their arguments are so subtly false and misleading that they have to be addressed. First of all, as I heard Senator Johnson he said, well this income level, the Osborne family would have paid some taxes last year, so it is only fair that they pay taxes this year. And then Senator Landis, if I understood his comments, he said, well, it is as unfair for them to pay \$159 in taxes to the state when they are going to get all of those services that supposedly they are going to receive. And I think it is...this type of argument is specious, is misleading to the say the least, for it fails to consider that this family is going to be paying a sales tax. I assume they are going to be purchasing goods and items that are going to be subject to the sales tax, so they are not going to be exempt from taxation. And if they are trying to buy a home they are going to be paying property tax, or even if they are renting they are going to have that property tax built into the rent structure. So, in effect, they are going to be paying taxes for some of the services they receive. So it is not like they are not going to be paying any taxes at all. In fact they will be paying taxes. The really misleading part of it is, and the questions that we need to address and what we need to focus on is, is it fair for the federal government to make a determination that this family should pay only \$2.00 of federal tax and then have the state come in and say, hey, the federal government made a determination that you don't have enough money to pay federal tax, so we are going to jump right in there and we're going to tax you \$159. That is the question I think we need to consider. The other thing that Senator Johnson fails to consider is he says, well the Osborne family, as we referred to it, they paid some taxes last year and it isn't that significant an increase.